

Message Text

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PAGE 01 STATE 083710
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TO AMEMBASSY CAIRO
INFO AMCONSUL ALEXANDRIA

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E.O. 11652: N/A

TAGS: BDIS, EG, US

SUBJECT: ASSISTANCE TO BUSINESS: FIRST APPALACHIAN CORP.

1. FAC PRESIDENT, HAROLD BLACK, HAS BEEN TRYING TO COMMUNICATE WITH HIS EGYPTIAN CONTACT, MOHAMED SHAHEEN (BROTHER OF MINISTER SHAHEEN) ABOUT RECENT DEVELOPMENTS IN COAL SUPPLIES TO EGYPT. SINCE COMMERCIAL COMMUNICATIONS CHANNELS ARE UNCERTAIN, HE HAS ASKED EMBASSY TO DELIVER FOLLOWING MESSAGE TO MOHAMED SHAHEEN WHICH BLACK SENT BY TELEX ON APRIL 11.

2. BEGIN TEXT: THE HONORABLE MOHAMED SHAHEEN, MEMBER OF NATIONAL ASSEMBLY, HOUSE OF PARLIAMENT, KASR AL-DOUBARA, CAIRO, EGYPT. YOUR EXCELLENCY: I HOPE YOU WILL RECALL OUR CONVERSATIONS AND YOUR KIND ATTEMPT TO ASSIST US IN RETAINING OUR CONTRACT WITH EL NASR COMPANY FOR COKE AND CHEMICALS NOW, UNFORTUNATELY, PROCEEDING INTO ARBITRATION.

IT HAS COME TO OUR ATTENTION THAT THE RECENT SHIPMENT FROM
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THE SUPPLIER WHO WAS ALLOCATED THE FUNDS FROM OUR CONTRACT HAS BEEN REJECTED BECAUSE OF EXCESSIVE ASH AND SULPHUR CONTENT. THIS BAD COAL WAS DELIVERED IN A LARGE VESSEL OVER 700 FEET LONG. MAY WE RESPECTFULLY SUGGEST A USEFUL AND CONSTRUCTIVE SOLUTION TO THE PENDING ARBITRATION

BETWEEN THE COMPANY AND OURSELVES WOULD BE TO REINSTATE

OUR CONTRACT WITH PROPER ADJUSTMENTS AND TO ALLOW FAC TO SHIP 90,000 METRIC TONS OF GOOD COKING COAL TO EGYPT. THE RECORD WILL SHOW WE DELIVERED EXCELLENT COAL. SUCH A SOLUTION WOULD BE EQUITABLE; IT WOULD AVOID THE COSTS OF LITIGATION TO EGYPT AND A JUDGMENT AGAINST THE COMPANY WHICH COULD AMOUNT TO OVER ONE MILLION DOLLARS IN HARD CURRENCY.

AM HAVING DIFFICULTY REACHING YOU BY TELEPHONE. THEREFORE SENDING THIS CABLE. WE AGAIN APPEAL FOR YOUR KIND HELP TO REOPEN THIS MATTER TO THE END THAT IT MAY BENEFIT ALL AND RESULT IN GOOD COAL DELIVERED TO EGYPT BY FAC MEETING ALL REQUIREMENTS OF THE COMPANY AND CANCEL ARBITRATION PROCEEDINGS.

IF MY EFFORTS TO REACH YOU BY TELEPHONE FAIL, WOULD YOU KINDLY TELEX ME AT 64120 (WASHINGTON, D.C., ANSWER BACK FAI SA) IF, IN YOUR OPINION, IT WOULD BE USEFUL FOR ME TO VISIT CAIRO TO PURSUE THIS MATTER TO CONSTRUCTIVE SOLUTION. RESPECTFULLY YOURS, HAROLD P. BLACK, PRESIDENT, FIRST APPALACHIAN CORPORATION. END TEXT.

3. BLACK ALSO INTERESTED IN CONFIRMING BEST ADDRESS FOR M. SHAHEEN AND A TELEPHONE NUMBER.

4. FYI: BAD COAL PROBLEM IS WITH WEST GERMAN FIRM, KLOEKNER COMPANY. VESSEL USED FOR LAST ATTEMPTED DELIVERY WAS 750 FEET LONG AND 110 FEET WIDE. END FYI.

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5. BLACK ALSO WOULD APPRECIATE EMBASSY VIEWS ON IDEA OF RE-OPENING DISCUSSIONS WITH EGYPTIANS SINCE THEIR ALTERNATIVE SUPPLIER TO REPLACE FAC APPEARS TO HAVE ONLY SUB-STANDARD COAL.
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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